factor which is unrealistically low. HAI's estimate of set costs assumes a coinless phone, but HAI improperly distribute these costs over calls which in very large measure consist of coin calls that would be impossible to complete on a *coinless* set. The set HAI assume would not be economically viable at either the 25 or 8.3 cent per-call compensation rate they claim would be sufficient. Compensation of 34 cents would be required to recover HAI's low-ball estimate of costs. Applying HAI's flawed approach, but making more realistic assumptions about set costs and line costs and an economically plausible capital expense factor, produces an estimate in the 50-55 cent per call range.

MCI and HAI are simply incorrect in their assertion that a competitive market price cannot be used as a benchmark for call compensation. There are, in fact, readily available market transactions to which the Commission can turn for guidance in establishing arrangements for per-call compensation; indeed, these are transactions which the Commission has already itself characterized as embodying "fair compensation." Resort to cost analysis is thus unwarranted and, as we detailed in our previous filing,[3] fraught with potential hazards. Were the Commission to base compensation on the HAI prescription, it can be confident of a significant degradation in the quality of payphone service offered to the consuming public.

Relevant Theoretical Framework

HAI begin by citing Baumol and Sidak in support of their contention that the competitive market model is widely accepted as a basis for regulation. Baumol and Sidak are at great pains to argue in favor of the theory of perfect contestability rather than perfect competition as supplying an appropriate theoretical foundation for policymaking in telecommunications. When there are significant fixed costs (or other cost burdens arising from departures from efficient pricing) and/or

---

[3] *See* John Haring, Charles L. Jackson and Calvin S. Monson, *Economic Report on FCC Resolution of Payphone Regulatory Issues*, July 1, 1996.

significant economies of scale, price equal to marginal cost amounts, in Baumol and Sidak's terms, to "a recipe for bankruptcy."

In our earlier submission we have explained our basis for concluding that the payphone industry is *not* characterized by significant economies of scale.[4] There are, however, significant fixed costs associated with each payphone implying that minimal recovery of, say, the marginal cost of a call will not recover the firm's costs. When HAI assert (at p. 4) that "The true incremental cost of using payphones to reach interexchange carriers is, of course, essentially zero," they merely betray their disingenuity and willingness to mislead the Commission. That observation is economically irrelevant to the question of suitable compensation in the instant context. Indeed, a principal thrust of Baumol and Sidak's work is to argue that efficient pricing arrangements *must* be based on both demand and supply-side considerations when recovery of fixed costs is required.[5]

Market-based Compensation

HAI (p. 1) contend that. "There is no way to observe directly a competitive market price that can be used as a benchmark for these calls." In reality, it is difficult to see how it could be much *easier* for the Commission to observe competitive market-based rates directly. The competitive market is *already* establishing mutually agreeable terms of compensation for 0+ calls, and the Commission has properly concluded that compensation agreements entered on a voluntary basis fairly compensate. IXCs (presumably including MCI) have struck numerous deals with independent

---

4 Evidence of successful market participation by both small firms and large belies the existence of significant economies of scale in the provision of payphone service. *See* Haring, Jackson and Monson, *op. cit.*, pp. 13-14.

5 Thus as we noted in our earlier filing, it would be highly coincidental and unlikely that efficient economic compensation for local and long-distance payphone calls were equal in dollar terms. In our view, the appropriate compensation for local calls is likely to be somewhat lower in dollar terms than that for long-distance calls. *See* Haring, Jackson and Monson, *op. cit.*, p. 34.

payphone providers and with location site providers. HAI has, therefore, erred in concluding that costs must be used as benchmark. Given the *dependence* of efficient rates on *both* conditions of supply *and* demand, the use of cost data to rationalize compensation arrangements is by no means transparent in any event. The Commission is far more likely to establish efficient compensation arrangements by reference to existing *market-based* compensation.

Having incorrectly touted the use of costs for establishing suitable compensation, HAI then cite numerous disabilities associated with analysis of costs. There *are* numerous difficulties associated with analysis of costs, but ironically several of the disabilities alleged by HAI turn out on minimal inspection to be *errors in economic analysis by HAI* rather shortcomings in cost data. In particular, when HAI (p.2) assert that there is problem deriving from use of accounting data because actual costs "should be falling due to generally falling costs of telecommunications equipment," they again mislead the Commission

The use of legacy equipment to supply service does not constitute economic inefficiency; plainly, it would be highly uneconomic continually to redeploy the latest and greatest equipment, scrapping all existing plant notwithstanding its continued economic viability. The fact that a firm continues to use legacy capital equipment, as all firms necessarily do, does not imply inefficiency in supply and the need for compensation to be discounted to reflect *inefficient* operations. To imply that it does is to mislead on the basis of faulty economic analysis.

HAI argue (p. 1) inaptly (given payphone competition) and incorrectly (on a variety of economic grounds) that using a monopolist's costs as a proxy for a competitive rate introduces a bias towards higher rates. They try to bootstrap this argument into a rationale for exclusion of commission payments to site providers as a cost basis for compensation. Their claim is that commission payments "reflect monopoly rents paid to premises owners" and "that cost-based pricing properly excludes these *costs*"(emphasis added)[6] This is an error. First, not all commissions and payments to site providers represent monopoly rents for reasons we discuss presently. But even if they did, payments for location sites still represent *costs*. The fact that productive factors command rents does not make their prices any less costs for firms that wish to purchase them.

Whenever the supply curve or marginal cost of an input rises with increases in the rate of output, inframarginal units earn rents. Rents are ubiquitous throughout the economy. Indeed, MCI itself earns considerable rents. Certainly PCS suppliers would be very chagrined were the Commission to (try to) maintain that subscribers to PCS services should not have to pay prices reflecting the large amounts of money PSC suppliers have bid to acquire spectrum, the magnitude of which is a measure of embodied rents. If there is a problem with monopoly, it should be attacked directly. In the payphone industry itself, this was done years ago when open entry was permitted.

HAI's Cost Benchmark

HAI claim that, "The results of payphone competition do not approximate the results that application of the competitive market model would provide." They assert that "customers are often unable to use alternatives," and refer to one of a limited number of special circumstances where supply may be (but even here is not necessarily or always) restricted. The reality is that customers, generally speaking, possess both demand substitutes (temporal and locational demand shifting, cellular, PCS, *etc.*) and supply substitutes as well. There is increasingly ubiquitous competition in the supply of payphone service. Indeed, BellSouth's payphone revenue market share within its region is less than AT&T's current share of the long-distance business. Contrary to HAI's unsupported assertion (at pp. 2-3), individual payphone locations are *not* generally local monopolies. This is not

---

6 *See* Mary J. Sisak, letter to Regina Keeney, Chief, Common Carrier Bureau (January 11, 1996).

to imply the absence of special circumstances, but the policy that appropriately governs *general* circumstances should not be driven by extraordinary conditions.[7]

The HAI cost analysis is based on a number of questionable assumptions. It is premised on the comparatively low cost of providing a coinless phone indoors. The study upon which the HAI analysis is based examined costs of providing indoor and outdoor coinless and coin payphone services. Indoor coinless payphones represent a relatively small proportion of the payphone base in many operating environments. The average cost for all types of public payphones in the study upon which HAI base their analysis was apparently more than two-and-one-half times as high. The average maintenance cost for all types of public payphones in the study upon which HAI base their analysis was apparently more than five times as high.

The capital expense factor upon which HAI base their analysis appears to be quite low. Assuming a five-year equipment life and an 18 percent annual return implies a capital expense factor of 30 percent. In our view, the latter, while still conservatively premised, would represent a more appropriate capital expense allowance.[8] This single adjustment increases capital expense in the Hatfield model by *40 percent.*

As previously noted, HAI improperly exclude costs that are appropriately included within a sound economic framework. The fact that an input price might include a rent does not supply an economically coherent basis for exclusion. The presumption that *all* commission payments to premise

---

7 *See* Haring, Jackson and Monson, *op. cit.*, pp. 4-6.

8 At the Commission's recent *Economics of Interconnection Panel Discussion Forum*, Gerald Brock, former Chief of the FCC's Common Carrier Bureau, observed that "in calculating TSLRIC, the idea of using an 11 percent discount rate is all wrong. You're talking a 20-25 percent discount rate. . . . I don't think anyone should sit here today and think that a private firm in competition is going to use an 11 percent discount rate" (pp. 33-34).

owners reflect monopoly rents is ludicrous on its face. First, significant locational rents are, in general, not likely to exist because there is typically effective fungibility across numerous potential sites. Site providers cannot exercise economic power they do not possess. Second, floor space generally has opportunity costs as well as direct costs. Thus the space devoted to a payphone might be occupied by an espresso cart, a vending machine or some other revenue-producing operation. HAI's mischaracterization of payments for space rentals as pure monopoly rent should be seen for what it is: a transparent ploy to reduce compensation for recovery of payphone service providers' legitimate business expenses.

HAI's attempt to rationalize exclusion of various capital and labor costs on grounds that creation and maintenance of certain functionalities are unnecessary to deliver calls to IXCs supplies still another example of faulty economic analysis. Note, first, that the functionalities a phone possesses help determine the opportunity costs associated with use of the phone. Generally speaking, when a functionality that is needed for other applications is tied up when a phone is being used for an access code call, the payphone provider loses the ability to use its equipment to exploit that functionality. Moreover, if an IXC thinks there is a market that would support payphones without the features they do not desire, that IXC is perfectly free to place those phones in the marketplace and in some cases IXCs have done so.

HAI's arithmetic slight-of-hands (at pp. 4-5) constitute a veritable *tour de force*. First, they remark that equipment and installation costs for indoor coinless phones supply a suitable cost base because the extra expense of coin phones and coin phone maintenance is not required to deliver calls to IXCs. Apparently people never place long-distance calls *out*doors. It is also noted that PPO phones "may contain additional electronics not needed for the simple function of transferring calls to interexchange carriers" and that "these additional costs are not appropriately included in compensation." Then HAI calculate an estimate based on a distribution of cost over all of the coin sent paid, 0-/+ calls and an estimate of access code calls placed over the phone. How it is that coin calls can be completed over a *coinless* phone remains obscure. Apparently HAI are willing to exclude the costs of affording certain capabilities when convenient and willing also to include the calls when that is convenient. The only consistency in excluding calls in (calculating) the numerator and including them in the denominator is that it produces an answer more favorable to MCI. MCI is trying to eat its cake and still have it. MCI wants to pay compensation based on stand-alone costs, but it simultaneously wants compensation based on the multiple uses that could occur only with a multiple-use technology.

HAI claim that, at 25 cents per call, local coin sent paid calls could entirely recover their $423 cost estimate.[9] The problem for HAI is that local coin sent paid calls could not be completed over the instrument they assume. Moreover, at neither 25 cents per call nor 8.3 cents per call would revenues from the *non*-sent paid calls they consider recover HAI's cost estimate. *At those rates the payphone HAI assumes would not exist.* The phone would not exist because the stand-alone costs, even though underestimated, would not be recovered, and the phone would, therefore, not be economically viable. Under HAI's assumptions, 34 cents must be collected on the non-sent paid calls to recover stand-alone costs based upon HAI's methodology. In our view, this estimate significantly understates required compensation within *their* model because costs are significantly underestimated. More realistic assumptions about set costs and current business line rates,[10] and a more realistic

---

[9] We note that this estimate excludes many types of costs that a stand-alone operation would incur. *See Reply Comments of Arthur Andersen*, filed on behalf of the RBOC Payphone Coalition (July 15, 1996).

[10] HAI cite the 1994 *FCC Reference Book* on rates for the $320 annual cost of a single (continued...)

(although still conservative) capital expense factor would *alone* be sufficient to put stand-alone-based compensation in the *50-55 cent range* within this framework and on these assumptions.

The HAI study rests on a basic misconception: it treats payphone service as a regulated public utility. That is neither the actual industry organization nor obviously the one contemplated by the 1996 Telecommunications Act. This misconception leads to mistaken policy prescriptions when it comes to appropriate compensation arrangements. HAI's approach is to calculate the compensation per call that would allegedly recover the cost of a given population of payphones (*viz.,e.g.*, the Nynex payphones in New Hampshire). But in the new world created by the Act, there are no rules (apart from provisions governing the future supply of public interest payphones) that will operate to keep unprofitable telephones in place. Under virtually any plausible distribution of payphone usage, at least half of all payphones are used less than average. This means that, if HAI's approach to compensation were implemented, *more than half of all payphones would receive compensation less than the costs they set out to recover.*

The Act requires subsidy-free operations. Payphone providers will possess little incentive to maintain phones in unprofitable locations. Indeed, the firm with the unprofitable low-usage phone in a rural location may not be operating the heavily-used phones in urban settings, and thus not be in a position to offset losses in any event. With free entry the number of phones in profitable locations will proliferate thereby lowering returns to offset any losses. HAI's analysis, which purports to calculate the average cost of a payphone call, fails to consider the problem of keeping payphones with below-average usage economically viable. Most payphones do not have higher than average usage.

---

[10] (...continued)
business line. The FCC's November 1995 *Reference Book on Rates* (McMaster and Lande, 1995), p. 28, gives the average bill for "representative" single-line service as \$41.74 per month — equivalent to an annual charge of \$497.64. This is \$177.36 higher than the number HAI used.

Conclusion

HAI claim (p. 4) that "Allowing PPOs to recover more than their actual costs results in excessive monopoly profits." Leaving aside the fact that payphone service providers are not monopolists (If MCI earns more than its actual costs, does this imply that the result is excessive monopoly profit?), it should be noted that economic analysis does not, in fact, predict monopoly profits if compensation is set at high levels. Given the manifest freedom of resources to migrate into this business activity, the result of compensation that produced high levels of profitability would be rapid expansion of payphone capacity. The airline industry under regulation supplies an apposite parallel. Government efforts historically to increase airline profitability by allowing fare increases were never successful. The reason was simple — competitive rivalry among regulated air carriers always dissipated any supernormal profits. The "ratchet effect" under airline regulation produced lower airplane load factors (resulting from capacity expansion and an increase in the number of scheduled flights) and ever more elaborate in-flight service as the consequence of government fare setting.[11]

MCI's claim, in essence, is that while HAI's may be a thoroughly flawed cost study, it is the only cost study and, therefore, the Commission has no recourse but to rely on it.[12] The Commission does not, in fact, need to rely on any cost study, and indeed should avoid resort to cost analysis given the pitfalls associated therewith — disabilities more than amply demonstrated by HAI's faulty analysis. The Commission would be well advised to rely on readily available information on market-based transactions for establishing suitable compensation arrangements.

---

11 *See* George W. Douglas and James E. Miller III, *Economic Regulation of Domestic Air Transportation* (Washington, D.C.: Brookings Institution, 1974); and George C. Eads, "Competition in the Domestic Trunk Airline Industry, " in A. Phillips, ed., *Promoting Competition in Regulated Markets* (Washington, D.C.: Brookings Institution, 1975), pp. 16-39.

12 *See* Sisak, *op. cit.*, p. 1.

CERTIFICATE OF SERVICE

I hereby certify that I have this 15th day of July, 1996 served all parties to this action with a copy of the foregoing REPLY COMMENTS by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties on the attached service list.

Juanita H. Lee

Juanita Lee

The Intellicall Companies
Judith St. Ledger-Roty
Enrico C. Soriano
Wendy I. Kirchick
REED SMITH SHAW & McCLAY
1301 K Street, N.W.
Suite 1100 - East Tower
Washington, D.C. 20005-3317

National Association of RV Parks & Campgrounds
David Gorin, President
8605 Westwood Center Drive
Suite 201
Vienna, VA 22182-2231

Georgia Public Communications Association
Newton M. Galloway
113 Concord Street
Zebulon, GA 30295

Georgia Public Communications Association
Albert H. Kramer
Robert F. Aldrich
DICKSTEIN, SHAPIRO, MORIN & OSHINSKY, L.L.P.
2101 L Street, N.W.
Washington, D.C. 20037-1526

Wisconsin Public Communications Association
Roger B. Skrypczak
President for the Board of Directors
W6246 County Trunk BB
Suite B
Appleton, WI 54915

Scherers Communications Group, Inc.
Susan Drombetta
Manager, Rates and Tariffs
575 Scherers Court
Worthington, OH 43085

InVision Telecom, Inc.
C. Douglas McKeever
Vice President - Finance
1150 Northmeadow Parkway
Suite 118
Roswell, GA 30076

Pennsylvania Public Utility Commission
Terrence J. Buda
Veronica A. Smith
John F. Povilaitis
P. O. Box 3265
Harrisburg, PA 17105-3265

Paging Network, Inc.
Judith St. Ledger-Roty
Enrico C. Soriano
Wendy I. Kirchick
REED SMITH SHAW & McCLAY
1301 K Street, N.W.
Suite 1100 - East Tower
Washington, D.C. 20005-3317

American Association of Airport Executives
Charles M. Barclay, A.A.E.
4212 King Street
Alexandria, VA 22302

Anchorage Telephone Utility
Paul J. Berman
Alane C. Weixel
Covington & Burling
1201 Pennsylvania Avenue, N.W.
P. O. Box 7566
Washington, D.C. 20044-7566

Arch Communications Group, Inc.
E. Ashton Johnston
PAUL, HASTINGS, JANOFSKY & WALKER
1299 Pennsylvania Avenue, N.W.
10th Floor
Washington, D.C. 20004-2400

Midwest Independent Coin Payphone Association
Willard C. Reine
314 East High Street
Jefferson City, Missouri 65101

American Airlines Admirals Club
Derek Flake
Financial Manager
P. O. Box 619280
Dallas/Fort Worth Airport, TX 75261-9280

Personal Communications Industry Association
Mark J. Golden
Vice President -- Industry Affairs
500 Montgomery Street, Suite 700
Alexandria, VA 22314-1561

Personal Communications Industry Association
Katherine M. Holden
Stephen J. Rosen
Wiley, Rein & Fielding
1776 K Street, N.W.
Washington, D.C. 20006

RBOC Payphone Coalition
Michael K. Kellogg
Jeffrey A. Lamken
Kevin J. Cameron
KELLOGG, HUBER, HANSEN, TODD & EVANS
1301 K Street, N.W.
Suite 1000 West
Washington, D.C. 20005

Public Utility Commission of Texas
Pat Wood, III
Robert W. Gee
Judy Walsh
7800 Shoal Creek Blvd.
Austin, TX 78757

Ameritech
Alan N. Baker
2000 West Ameritech Center Drive
Hoffman Estates, IL 60196

Communications Central, Inc.
1150 Northmeadow Parkway,
Suite 118
Roswell, GA 30076

Inmate Calling Services Providers Coalition
Albert H. Kramer
Robert F. Aldrich
Jacob S. Farber
DICKSTEIN SHAPIRO MORIN & OSHINSKY, L.L.P.
2101 L Street, N.W.
Washington, D.C. 20037-1526

Kevin Maher
Director - Governmental Affairs
American Hotel & Motel Association
1201 New York Avenue, N.W.
Suite 600
Washington, D.C. 20005-3917

Flying J Inc.
Joseph Kelley
P. O. Box 678
Brigham City, Utah 84302-0678

American Public Communications Council
Albert H. Kramer
Robert F. Aldrich
DICKSTEIN, SHAPIRO, MORIN & OSHINSKY, L.L.P.
2101 L Street, N.W.
Washington, D.C. 20037-1526

South Carolina Public Communications Association
Clifton Craig, Jr., President
1132 S. Center Road
Darlington, SC 29532

South Carolina Public Communications Association
John F. Beach, P.A.
1400 Main Street
Suite 1207
Post Office Box 444
Columbia, SC 29202-0444

Kampgrounds of America, Inc.
Bryan Peterson
Assistant Vice President
Franchisee Services
P. O. Box 30558
Billings, Montana 59114

Excel Telecommunications, Inc.
J. Christopher Dance
Kerry Tassopoulos
8750 North Central Expressway
20th Floor
Dallas, TX 75231

Excel Telecommunications, Inc.
Thomas K. Crowe
Law Offices of Thomas K. Crowe, P.C.
2300 M Street, N.W.
Suite 800
Washington, D.C. 20037

Oncor Communications, Inc.
Mitchell F. Brecher
FLEISCHMAN AND WALSH, L.L.P.
1400 Sixteenth Street, N.W.
Washington, D.C. 20036

United States Telephone Association
Mary McDermott
Linda Kent
Charles D. Cosson
1401 H Street, N.W.
Suite 600
Washington, D.C. 20005

U S West, Inc.
Sondra J. Tomlinson
1020 19th Street, N.W.
Suite 700
Washington, D.C. 20036

AHA TelePLAN
John M. Bisinger
Sr. Vice President
515 North State Street
Suite 2850
Chicago, IL 60610

NATSO, Inc.
W. Dewey Clower
President & CEO
1199 North Fairfax Street
Suite 801
P. O. Box 1285
Alexandria, VA 22313-1285

Southwestern Bell Telephone Company
Robert J. Lynch
Durward D. Dupre
Mary W. Marks
J. Paul Walters, Jr.
One Bell Center, Room 3536
St. Louis, Missouri 63101

New Jersey Division of the Ratepayer Advocate
Blossom A. Peretz, Director
31 Clinton Street
11th Floor
Newark, NJ 07101

Oklahoma Corporation Commission
Ernest G. Johnson
Cece Wood
Maribeth D. Snapp
P. O. Box 25000-2000
Oklahoma City, OK 73152-2000

Independent Technologies, Inc.
Hank Smith
11422 Miracle Hills Drive
Omaha, NE 68154

MCI Telecommunications Corporation
Mary J. Sisak
Donald J. Elardo
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Florida Public Service Commission
Cynthia B. Miller
Senior Attorney
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Call West Communications, Inc.
Glenn Stehle
701 N. St. Mary's
San Antonio, TX 78205

Michigan Pay Telephone Association
Butzel Long
William R. Ralls (P19203)
Leland R. Roser (P33827)
118 West Ottawa Street
Lansing, MI 48933

Actel, Inc.
P. O. Box 391
Cedar Knolls, NJ 07927

Yuma County Airport Authority
E. M. Thurmond, A.A.E.
Airport Director
2191 E. 32nd Street
Yuma, AZ 85365

National Association of RV Parks and Campgrounds
David Gorin, President
8605 Westwood Center Drive
Suite 201
Vienna, VA 22182-2231

Teleport Communications Group Inc.
Teresa Marrero
Senior Regulatory Counsel
Two Teleport Drive, Suite 300
Staten Island, NY 10301

City of Kansas City
John D. Solomon, A.A.E.
Director of Aviation
601 Brasilia Avenue
P. O. Box 20047
Kansas City, MO 64195

The City of Kansas City, Missouri
Robert E. Cohn
Alexander Van der Bellen
SHAW, PITTMAN, POTTS & TROWBRIDGE
2300 N Street, N.W.
Washington, D.C. 20037

The Cleveland Clinic Foundation
James A. Thelen
Director, Operations Support Services
9500 Euclid Avenue
Cleveland, OH 44195

Dallas/Fort Worth International Airport
Kevin E. Cox
3200 East Airfield Drive
P. O. Drawer 619428
DFW Airport, TX 75261-9428

The New York City Department of Information Technology and Telecommunications (DOITT)
Martin Cintron
Salvador Uy
Gary S. Lutzker
Harley J. Goldstein
11 Metrotech Center
Third Floor
Brooklyn, NY 11201

American Association of Airport Executives
Charles M. Barclay, A.A.E.
President
4212 King Street
Alexandria, VA 22302

Public Utilities Commission of Ohio
Ann E. Henkener
Assistant Attorney General
Public Utilities Section
180 East Broad Street
Columbus, OH 43215-3793

One Call Communications, Inc.
d/b/a OPTICOM
Ann Cassidy, Esq.
801 Congressional Boulevard
Carmel, Indiana 46032

National Exchange Carrier Association, Inc.
Richard A. Askoff
Donna A. DiMartino
100 South Jefferson Road
Whippany, NJ 07981

Iowa Utilities Board
William H. Smith, Jr., Chief
Bureau of Rate and Safety Evaluation
Lucas State Office Building
Des Moines, Iowa 50319

California Association of Long Distance Telephone Companies
GOODIN, MACBRIDE, SQUERI, SCHOLTZ & RITCHIE, LLP
Thomas J. MacBride, Jr.
Kathryn A. Fugere
505 Sansome Street, Suite 900
San Francisco, CA 94111

Puerto Rico Telephone Company
Joe D. Edge
Sue W. Bladek
Drinker, Biddle & Reath
901 Fifteenth Street, N.W.
Washington, D.C. 20005

Airports Council International - North America
Patricia A. Hahn
General Counsel
1775 K Street, N.W.
Suite 500
Washington, D.C. 20006

Airports Council International - North America
Charles H. Kennedy
Morrison & Foerster
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-1888

The Law Offices of
Robert M. Brill, Esq.
757 Third Avenue, 12th Floor
New York, NY 10017

Florida Public Telecommunications Association, Inc.
Angela B. Green
125 S. Gadsden Street
Suite 200
Tallahassee, FL 32301

Virginia State Corporation Commission
Edward C. Addison,
Director
Division of Communications
1300 East Main Street, 9th Floor
P. O. Box 1197
Richmond, VA 23218

Frontier Corporation
Roy L. Morris
Director
1990 M Street, N.W.
Suite 500
Washington, D.C. 20036

Frontier Corporation
Michael Shortley
180 South Clinton Avenue
Rochester, NY 14646

Telecommunications Resellers Association
HUNTER & MOW, P.C.
Charles C. Hunter
1620 I Street, N.W.
Suite 701
Washington, D.C. 20006

Competitive Telecommunications Association
Genevieve Morelli
Vice President and General Counsel
1140 Connecticut Avenue, N.W.
Suite 220
Washington, D.C. 20036

The Competitive Telecommunications Association
Danny E. Adams
Steven A. Augustino
KELLEY DRYE & WARREN LLP
1200 Nineteenth Street, N.W.
Suite 500
Washington, D.C. 20036

LDDS WorldCom
Douglas F. Brent
9300 Shelbyville Road
Suite 700
Louisville, Kentucky 40222

LDDS WorldCom
Catherine R. Sloan
Richard C. Fruchterman
Richard S. Whitt
1120 Connecticut Avenue, N.W.
Suite 400
Washington, D.C. 20036

The State of Maine Public Utilities Commission; The State of New Hampshire Public Utilities Commission; The State of New Mexico State Corporation Commission; The State of Vermont Public Service Board and Department of Public Service
Joel B. Shifman, Esq.
Maine Public Utilities Commission
242 State St. House Station No. 18
Augusta, ME 04333-0018

The State of Maine Public Utilities Commission; The State of New Hampshire Public Utilities Commission; The State of New Mexico State Corporation Commission; The State of Vermont Public Service Board and Department of Public Service
E. Barclay Jackson, Esq.
New Hampshire Public Utilities Commission
8 Old Suncook Road
Concord, New Hampshire 03301-7310

The State of Maine Public Utilities Commission; The State of New Hampshire Public Utilities Commission; The State of New Mexico State Corporation Commission; The State of Vermont Public Service Board and Department of Public Service
David Kaufman, Esq.
New Mexico State Corporation Commission
Post Office Drawer 1269
Santa Fe, New Mexico 87504-1269

Vermont Public Service Board
George E. Young, Esq.
112 State Street
Drawer 20
Montpelier, VT 05620-2701

Vermont Department of Public Service
Sheldon M. Katz, Esq.
112 State Street
Montpelier, VT 05620-2601

California Public Utilities Commission
GRAHAM & JAMES
Martin A. Mattes
One Maritime Plaza
Suite 300
San Francisco, CA 94111

Sprint Corporation
Leon M. Kestenbaum
Jay c. Keithley
H. Richard Juhnke
1850 M Street, N.W.
11th Floor
Washington, D.C. 20036

AT&T Corp.
Mark C. Rosenblum
Peter H. Jacoby
Richard H. Rubin
295 North Maple Avenue
Room 3244J1
Basking Ridge, NJ 07920

Peoples Telephone Company, Inc.
Bruce W. Renard,
General Counsel
2300 N.W. 89th Place
Miami, FL 33172

Peoples Telephone Company, Inc.
Eric L. Bernthal
Michael S. Wroblewski
LATHAM & WATKINS
Suite 1300
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Public Utilities Commission of the State of California
Peter Arth, Jr.
Edward W. O'Neill
Patrick S. Berdge
505 Van Ness Avenue
San Francisco, CA 94102

Cable & Wireless, Inc.
Rachel J. Rothstein
8219 Leesburg Pike
Vienna, VA 22182

National Telephone Cooperative Association
David Cosson
Pamela Sowar Fusting
2626 Pennsylvania Avenue, N.W.
Washington, D.C. 20037

GVNW, Inc./Management
Robert C. Caprye
Consulting Manager
7125 S.W. Hampton Street
Portland, Oregon 97223

New York State Department of Public Service
Maureen O. Helmer
General Counsel
Three Empire State Plaza
Albany, NY 12223

Illinois Public Telecommunications Association
Michael W. Ward
John F. Ward, Jr.
Henry T. Kelly
O'KEEFE, ASHENDEN, LYONS AND WARD
30 N. LaSalle Street
Suite 4100
Chicago, IL 60602

International Telecard Association
Glenn B. Manishin
Michael D. Specht, Technical Consultant
BLUMENFELD & COHEN - Technology Law Group
1615 M Street, N.W., Suite 700
Washington, D.C. 20036

GTE Service Corporation
Richard McKenna, HQE03J36
P. O. Box 152092
Irving, TX 75015-2092

GTE Service Corporation
David J. Gudino
1850 M Street, N.W.
Suite 1200
Washington, D.C. 20036

Truckstops of America
G. Slaby
Manager, Telecommunications Services
24601 Center Ridge Road
Westlake, OH 44145-5634